

## ROUTING AND RECORD SLIP

Form 3-65 60c

(13)

SUBJECT: (Optional)

Hiring Freeze

FROM: Harry E. Fitzwater  
Director of Personnel  
Policy, Planning, and Management

EXTENSION

NO.

DATE

6 FEB 1981

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. A/Deputy Director for  
Administration

I would like to meet with you and the others concerned immediately following the Monday morning staff meeting in the DCI Conference Room.

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Harry E. Fitzwater

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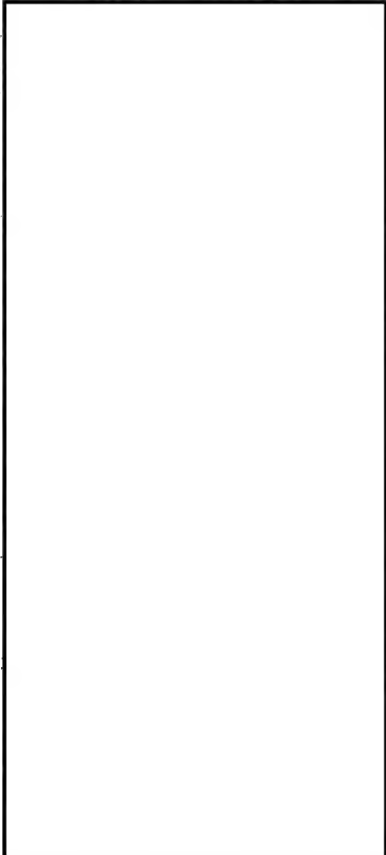

The Honorable David Alan Stockman  
Director  
Office of Management and Budget  
Washington, D. C. 20503

Dear Dave:

I have assessed in some detail the impact of the Presidential hiring freeze on the Central Intelligence Agency (CIA). I am now satisfied that the Agency has already suffered from even a short hiring freeze because of the unusual nature of its hiring process. As a prerequisite to employment, <sup>with the CIA</sup> each applicant must undergo an extensive, time-consuming and expensive security investigation. This process includes an exhaustive 15-year background investigation. The selection and clearance process typically stretches out over many months and, as you might expect, we lose many good people just because they either cannot or choose not to tolerate this ~~time~~ delay inconvenience. Even in the best of times the Agency has trouble filling positions for certain critical skills. From past experience when the Agency was forced to turn off its applicant pipeline, it took many months to recover.

While there are many serious requirements for new employees, I am prepared to live temporarily with the freeze--except in certain critical skills necessary to our mission. At present, the Agency is 302 personnel below the Congressional-approved FY-1981 budget ceiling of 15,090. We expect to lose another 720 through attrition by the end of the fiscal year. I consider it imperative that we be given partial relief from the freeze in

certain critical categories. These skills represent approximately 55 of the 160 skills categories for which we recruit personnel. Specifically, we request authority to hire among the following skills to fill current vacancies and one-for-one attrition in these special categories:

<u>Occupational Category</u>	<u>Projected Attrition</u>	<u>Requested Exemptions Not to Exceed</u>	<u>Freeze Impact Attachment</u>
Communications Specialists			A
Operations Officers			B
Engineers and Physical Scientists			C
Computer Specialists			D
Intelligence Analysts			E
Security Officers and Couriers			F
Linguists			G
<del>Administrative</del>			
Clericals			I
Totals			

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*had approach - must show below strength column for 90 category to make the point!*

<i>below</i>	<i>est</i>	<i>total</i>
<i>str</i>	<i>attr</i>	<i>num</i>
X	Y	614

The Agency's ability to conduct clandestine operations also is dependent upon a large number of non-ceiling personnel who are hired on contract or memorandum of oral commitment to perform essential operational support functions. These functions include:

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\*Includes current vacancies.

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In addition to the above, I believe it necessary that you exempt from the freeze those applicants placed in process between 5 November 1980 and 20 January 1981. During this period the Agency had given commitment letters to 465 applicants. Under the most ideal conditions, only 50 percent of these would survive the clearance process. Because of our unique hiring problem, a considerable investment of time and money has already been expended in the advertising for and recruitment, selection and investigative screening of these applicants currently in process. They were selected from among approximately 12,000 applicants. There is a large number of the critical skills represented in this category, and it would be an indefensible waste to discontinue their processing and not allow those who passed the screening to report for duty. To realize a return on our investment, this entire group should be exempted from the freeze.

The impact of the total freeze in hiring of the above-critical categories of skills is discussed in the attachments. I urge your favorable consideration of this request and assure you that I will maintain strong monitoring controls on all new hires to ensure that only those for whom we have requested exemption will be brought on-duty. Your approval of this request will help me fulfill my responsibilities at an acceptable level, while demonstrating my support for the President's hiring freeze.

Yours,

William J. Casey

Attachments

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[REDACTED]

classified communications. The Office of Communications, because of its serious understrength condition, is and will continue to be unable to satisfy overseas communicator requirements, in [REDACTED] --some new activities, <sup>and</sup> others

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*that are* necessary expansions of existing activities. Moreover, reductions will very shortly have to be imposed at other foreign posts.

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[REDACTED]

Domestically, the Office of Communications is also responsible for the maintenance and repair of CIA's metropolitan Washington, D.C. telephone service, both unclassified and secure. It

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[REDACTED]

works. The Office is now estimating that it will increase its usage of overtime some 65 percent just to maintain existing levels of support. If the freeze continues for any appreciable length of time, an additional 10 percent will be necessary. Notwithstanding this extensive and inefficient use of overtime, significant operational delays will occur.

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**SECRET**Engineers and Physical Scientists

As with all other hard-to-get occupation categories in the CIA, engineers and physical scientists also present us with unique acquisition problems. All agencies of government have difficulty competing with the private sector for the skills of these professionals. As a part of the improvements made in the Agency's selection and processing procedures, major recruiting emphasis was placed on this category. It has taken us eight months to get 86 people with these skills into our pipeline.

*Science and Technology Directorate*  
During FY 1981 the ~~DSST~~<sup>^</sup> alone will be responsible for the execution of about \$1 billion of contract and other program activities which will support programs across the full spectrum of intelligence functions requiring the application of technology.

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We conduct these programs through people who have post graduate degrees and/or significant industrial experience in such fields as electrical engineering, physics, mathematics, optics, chemistry, and electronics. Our workforce is relatively young and highly mobile. Substantial numbers of our people can easily move to private sector concerns like TRW, Lockheed Missiles and Space and other high technology corporations. Because of the technical challenge we are able to offer, the inherent excitement and dynamism of our programs, and the reputation we have in the high technology community, we



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are able to attract and hold individuals of high competence -- despite our inability at many levels to compete with private sector salaries and benefits. We do, however, face some attrition in our workforce. Experience tells us that we are most likely to lose the people whose skills we most require. They are the people with mobility, contacts, significant future growth potential, and professional experience gained here of great value to the private sector.

If we cannot replace these key people as we lose them, we will have to shift qualified people, where we have them, from other programs. This will cause significant disruption. More critical to us is the fact that in many cases we will simply not have the talent required anywhere within our organization, and in those cases critical positions will go unfilled. DDS&T has two such key senior positions unfillable today from within our organization. Extending this state of affairs for any significant period of time will substantially increase the risk of serious and expensive mistakes in judgment, omissions, and schedule adjustments within ongoing developmental activities. It is our judgment that failure to improve the limited exemptions in critical skills areas proposed in the letter above will prove exceedingly costly to the government over the next two to three years. In addition, the Office of Scientific and Weapons Research will have increasing difficulty in providing analyses of foreign space weapons systems, nuclear warheads, and computer technology.

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# Computer Specialists

The CIA has as much difficulty acquiring computer specialists as it does engineers and physical scientists for all <sup>THE REASONS PREVIOUSLY</sup> ~~of the same~~ reasons ~~sited above~~. Programs like SAFE--a large computer system being developed to improve the tools available to intelligence analysts--will be significantly <sup>affected</sup> ~~impacted~~ because of an inability to acquire supervisory and operating personnel to man the computer center scheduled for initial operation in 1982. Again, because of the length of the pipeline for people with these skills and their need for extensive training, the SAFE system may well not begin operation as scheduled. Because of the dynamic nature of the marketplace for these skills, attrition in this category is typically higher than others and will impact <sup>adversely</sup> ~~ongoing~~ computer operations that this Agency has become so dependent upon.

INTELLIGENCE

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Production Analysts - In the Congressional-approved budget

for FY-1981 the National Foreign Assessment Center (NFAC) was authorized an additional 64 positions and projects losses of an additional <sup>106</sup>~~145~~ people through the end of FY-1981.

-- NFAC's research on geographic, economic and political issues will be most affected by the freeze. NFAC does not have enough people working on required aspects of the Third World. Critical subjects that cannot be addressed because of the lack of analysts with the necessary backgrounds, and because the people presently employed on Third World subjects are heavily engaged in current intelligence on crises rather than in research. The areas

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-- Fifty to sixty analysts with the following skills are needed: 15 economists with various area specialities and/or background in energy topics; 20 people from among the disciplines of anthropology, political/cultural geography, demography, critical non-fuel resources; and 20 people with area expertise

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-- In the absence to hire at least <sup>107</sup>~~145~~ of the above category, I expect degradation to CIA's intelligence production.

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Security Officers and Couriers

) The CIA relies on people with these skills to protect our classi- )  
) fied information and to protect our facilities, both at home and  
abroad, that contain not only classified information, but our  
people as well. Given increasing political instability in the  
major areas of the world, as most recently evidenced by incidents  
in the Near East and Latin America, CIA security officers are  
taking on increasingly <sup>Responsibility</sup> ~~responsible assignments~~ with respect to  
the protection of our employees and our property located overseas.

~~people as well.~~ Our security officers play critical roles in  
performing security investigations, not only for prospective  
CIA employees, but also for the myriad of people in the private  
sector working on classified CIA contracts--some with the very  
highest clearance requirements of our government. CIA security  
officers are also very heavily and continually involved in counter-  
intelligence and antiterrorist activities overseas. Regarding  
( Regarding our couriers, we rely on them to routinely service ( )  
( over 700 delivery and pickup points around the world on a  
24-hour-a-day basis. We are presently some 30 percent under  
strength in this occupational category and, without relief, will  
have <sup>DIVERT</sup> ~~no~~ recourse but to ~~devote~~ professional employees from their  
primary intelligence-related responsibilities to perform these  
courier duties, to the further detriment of CIA's intelligence  
collection and production responsibilities.

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Attorneys - Because of high turnover, our General Counsel's Office expects to be at only half strength if the freeze continues for the rest of this fiscal year. At least one-half the work of the Office is devoted to dealing with cases in active litigation (approximately 150 to which the Agency is a party at present; plus some 50 more in which important Agency interests are at stake, even though the CIA is not a named party). To reduce the attention being given to these cases would risk public disclosure of classified intelligence information, degradation of the Director's authority to protect intelligence sources and methods, and judicial interference in Agency operations. If new vacancies in the Office of General Counsel are not filled, and in light of the fact the Office cannot diminish attention to active litigation, virtually all other legal activity would have to be curtailed.

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[REDACTED]

In addition, the Office would be severely hampered in carrying out present efforts to simplify legal regulation applicable to intelligence activities and to remove unjustified restrictions imposed in the past.

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Clericals

experience

As you might suspect, we ~~especially~~ <sup>experience</sup> our highest attrition rates in the clerical fields and yet in many ways ~~are~~ most dependent upon these skills to make our daily processes operate effectively and efficiently. We are talking here not only about typists and stenographers who produce our large numbers of intelligence reports, but also with the file clerks who help compile voluminous data and with the payroll clerks who ensure that our employees are paid. Based on the Carter hiring freeze, for example, the Operations Directorate has already accumulated 75 clerical vacancies in Headquarters and 30 additional clerical vacancies in the field. CIA has historically utilized spouses of <sup>its</sup> ~~their~~ employees to satisfy clerical requirements in the field. This has obviated the need <sup>in some instances,</sup> ~~to send~~ secretaries <sup>to various locations</sup> around the world at a significant annual savings. This hiring freeze, while precluding us from <sup>satisfying</sup> ~~meeting~~ clerical requirements overseas, is also precluding us from satisfying these requirements in the most efficient manner. This is just one example of our clerical difficulties. Others of equal magnitude exist everywhere in the Agency.